

**PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA
COMMISSION DIRECTIVE**

ADMINISTRATIVE MATTER	<input type="checkbox"/>	DATE	August 07, 2019
MOTOR CARRIER MATTER	<input type="checkbox"/>	DOCKET NO.	2019-184-E/2019-185-E 2019-186-E
UTILITIES MATTER	<input checked="" type="checkbox"/>	ORDER NO.	2019-557

THIS DIRECTIVE SHALL SERVE AS THE COMMISSION'S ORDER ON THIS ISSUE.

SUBJECT:

[DOCKET NO. 2019-184-E](#) - South Carolina Energy Freedom Act (H.3659) Proceeding to Establish Dominion Energy South Carolina, Incorporated's Standard Offer, Avoided Cost Methodologies, Form Contract Power Purchase Agreements, Commitment to Sell Forms, and Any Other Terms or Conditions Necessary (Includes Small Power Producers as Defined in 16 United States Code 796, as Amended) - S.C. Code Ann. Section 58-41-20(A);

[DOCKET NO. 2019-185-E](#) - South Carolina Energy Freedom Act (H.3659) Proceeding to Establish Duke Energy Carolinas, LLC's Standard Offer, Avoided Cost Methodologies, Form Contract Power Purchase Agreements, Commitment to Sell Forms, and Any Other Terms or Conditions Necessary (Includes Small Power Producers as Defined in 16 United States Code 796, as Amended) - S.C. Code Ann. Section 58-41-20(A);

-and-

[DOCKET NO. 2019-186-E](#) - South Carolina Energy Freedom Act (H.3659) Proceeding to Establish Duke Energy Progress, LLC's Standard Offer, Avoided Cost Methodologies, Form Contract Power Purchase Agreements, Commitment to Sell Forms, and Any Other Terms or Conditions Necessary (Includes Small Power Producers as Defined in 16 United States Code 796, as Amended) - Staff Presents for Commission Consideration a Motion to Discuss the Need for a Qualified Independent Third-Party Consultant and the Project Agreement between Pegasus-Global Holdings, Incorporated and the Public Service Commission of South Carolina.

COMMISSION ACTION:

Mr. Chairman, members of the Commission, the South Carolina Energy Freedom Act, §58-41-20(I), authorizes the Public Service Commission to engage a qualified independent third party expert work with the Commission and to submit a report that includes the third party's independently derived conclusions for each utility's calculation of avoided costs and assist the Commission with other issues relating to the new Act's implementation. Last month, the Commission asked Pegasus-Global Holdings, Inc. to serve in this role after a vetting process. During the vetting, Pegasus was asked to disclose any potential conflicts of interest. At the time of the vetting, the Commission was not told by Pegasus that they had been hired by Duke Energy in 2011 in Indiana where they reportedly earned \$3 million dollars to defend a multi-million dollar Duke project. After Pegasus was retained by the Commission, other potential conflicts have been called to our attention by the parties. Our Clerk as a result has already instructed Pegasus to cease work. I move that we terminate the services of Pegasus for cause based upon their failure to disclose their \$3 million contract with Duke Energy in Indiana in 2011 along with other material facts bearing on their independence and experience. Our clerk is instructed to notify Pegasus that they have been discharged effective immediately.

I also move that the Commission reopen the selection process for the hiring of an independent expert as authorized by law. To promote transparency going forward, our vetting interviews of all future candidates will be held in public here in our PSC hearing room. The candidates to be considered will be placed under oath and the interviews will be recorded and transcribed by a court reporter and live

streaming will be available for public viewing. All candidates will be specifically asked to answer questions about their independence, their experience with the issues contained in these dockets, and any potential conflicts of interest that might affect their credibility to serve in this role. As potential applicants are scheduled for public vetting by the Commission, they will be identified on the PSC's web site.

To further insure transparency and allow the parties to participate in this vetting process, the attorneys for the parties in these dockets may submit proposed written questions to our Clerk Ms. Boyd via the Docket Management System concerning each of the candidates who will be interviewed. These proposed questions can certainly assist the Commission to determine whether the candidate has the ability to serve as an independent expert in these dockets. Any written questions from the attorneys should relate to their independence, qualifications and experience in the field of utility regulation, ratemaking, and the like. Proposed questions for specific interviewees must be submitted within 48 hours after the notice of interview has been posted on the Commission DMS.

We are in the process of scheduling the first round of interviews for next Monday, so I would encourage the attorneys representing the parties to the docket to watch carefully as we confirm these interviews that will be posted on our Docket Management System today, and that then triggers your time to submit questions to be considered by the Commission as we interview and vet new candidates for the position of independent expert.

Mr. Chairman, I move, then, that we discharge Pegasus and that we reopen the selection process, as described in my motion. So moved.

PRESIDING: Randall

SESSION: Regular

TIME: 2:00 p.m.

	MOTION	YES	NO	OTHER
BELSER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
ERVIN	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
HAMILTON	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	via telephone
HOWARD	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<u>Abstaining</u>
RANDALL	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
WHITFIELD	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
WILLIAMS	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	via telephone

(SEAL)

RECORDED BY: J. Schmieding

